



FOR IMMEDIATE RELEASE
July 15, 2004

Contact:

Jean Severance (401) 462-8126
Workers' Compensation

Workers' Compensation Assessment to Drop **Most Employers Will Save Money**

PROVIDENCE – Governor Donald L. Carcieri has announced a significant decrease in the rate insurance carriers and employers will contribute to support Rhode Island's workers' compensation (WC) system. Effective July 15, 2004, the Workers' Compensation Administrative Fund will reduce its assessment on the premiums insurers charge from six and three quarter percent to six percent, a reduction of \$2.3 million. This change will affect workers' compensation insurance policies written in 2003. The assessment decrease should lower the cost of most employers' insurance and may help reduce the cost of doing business. Assessment funds support the WC system including the Rhode Island Workers' Compensation Court and the Workers' Compensation Division of the Department of Labor and Training. Services include rehabilitative programs for injured workers, investigation of fraud and employer compliance, education on the WC system, and data collection.

The WC Administrative Fund was created to fairly distribute the cost of the workers' compensation system across the parties that use it, rather than burdening the general taxpaying population. The Director of the Department of Labor and Training is required to evaluate the cost of the WC system, then levy a charge against insurers to cover fund expenses.

Adelita S. Orefice, the Director of the Department of Labor and Training, attributed the dramatic reduction to several factors, including the Department's aggressive investigation and enforcement actions taken against employers who fail to maintain workers' compensation insurance. This boost in revenue, coupled with increases in total employment wages and improved administrative efficiency at both the Department and the Workers' Compensation Court, caused revenue to exceed expense and created the opportunity for the three quarter percent reduction.

Judge George E. Healy, Chief Judge of the Workers' Compensation Court, complimented the Department on its efficient management of the fund. "The Court has been diligent in monitoring and controlling expenses because we realize that any inefficiency in management results in higher expenses for Rhode Island's employers. I am pleased that Director Orefice shares this philosophy and that the Department has succeeded in reducing the employers'

-more-



costs. Today's announcement will have an extremely positive impact on the state's economic outlook."

Workers' Compensation is a no-fault system that requires employers to maintain insurance coverage to protect their employees from loss of earnings and/or medical expenses for any work-related illness or injury. The Workers' Compensation Administrative Assessment is collected annually.

– 30 –

The Rhode Island Department of Labor and Training offers a wide array of employment and training services to both the general public and to individuals with unusual barriers to employment. DLT is ready to assist any job seeker, whether the goal is a first job, a better job, or a career change. Rhode Island's work force is protected through the enforcement of labor laws, prevailing wage rates, and work place health and safety standards. Temporary income support is available to unemployed, sick, or injured workers and a comprehensive rehabilitation program is available to those injured on the job.

DLT is dedicated to the growth and competitiveness of Rhode Island industry, administering a variety of training grants, tax credits, and apprenticeship programs to help employers. Economic indicators and labor market information are available for long-range planning. The Agency engages in active outreach, helping large and small employers retain their best workers or retrain their existing work force. At no cost to the employer, DLT will also screen job applicants, post job vacancies, and help businesses institute cost-sharing programs that can avert layoffs.

For more information on the innovative programs and services available to all Rhode Islanders at the Department of Labor and Training, please call (401) 462-8000 or visit the web site at www.dlt.ri.gov.

Equal Opportunity Employer

Auxiliary aids and services are available up on request to individuals with disabilities

TDD (401) 462-8006

